

Aga Cookers

Having “remained virtually unchanged since 1922, Aga is proving that even the stodgiest brands can strike a lucrative balance between tradition and innovation.”

Aga is “a half-ton cooker” (that would be a “range” here in America) that is well known in the U.K. as “a symbol of Britain’s stuffy fox-hunting set.”

But now, backed by a \$2 million marketing campaign, it is becoming a “totem of hip modern design,” and is fixing to invade the colonies.

The ad campaign positions the Aga “as a central part of a kitchen makeover,” but also plays up the

one thing that has always made Aga “radically different... Aga’s cooker is always on, eschewing knobs and controls in favor of compartments that are constantly heated at different temperatures.”

Aga’s “salespeople assure skeptical customers that” keeping the heat on at all times “has a negligible effect on energy bills.” This careful combination of legacy design and new features seems to be paying off for Aga: “Last year’s revenues swelled 15 percent to \$501 million, while profit was up 16 percent to \$43 million.” (Source: Elizabeth Esfahani, *Business 2.0*)



Haute Hormel

In some ways, it’s hard to imagine why Hormel would even *try* to sell anything other than Spam, which it introduced in 1937 and is today “a surprise star of the packaged-food industry.” Indeed, Hormel has cornered the market of “middle-age, blue-collar men who place a premium on hearty foods that are affordable and easy to make.”

For the more adventuresome, Hormel has now come up with innovative line-extensions like “single-serve packets and new flavors such as Stinky French Garlic.” But that isn’t enough for Hormel’s ceo, Jeffrey M. Ettinger, who won’t rest easy until Hormel is found on the shelves at Whole Foods.

Jeffrey believes he has just the product to do it: Hormel Natural Choice, which eliminates additives using a process in which “87,000 pounds of water pressure per inch kills bacteria.”

“We thought it’d be icing on the cake if Whole Foods wanted to take it...” says Hormel’s Scott Weisenbeck. They didn’t—although Wal-Mart and Kroger did.

In any case, there’s always Hormel Microwavable Trays, a line of ‘shelf stable’ entrees that can sit on a shelf for at least 18 months and can be heated up in just 90 seconds.” It’s “now the fastest-growing product in Hormel’s grocery segment,” accounting for \$846.5 million in sales. (Source: Jeff Lieberman, *The Wall Street Journal*)



Amazon’s Plan

As Jeff Bezos of Amazon fame sees it, what the internet did for content it could also do for products. His idea, basically, is premised on the concept of *excess capacity*—both online at companies like Amazon and offline at companies like General Motors.

In a nutshell, if you wanted to start your own company, Amazon could rent you “its transaction capabilities to sell things and collect money and its distribution system to store and ship items.” Says Jeff: “We can take all the things that used to be fixed costs and let people pay by the drink.”

If General Motors, meanwhile, were to apply the same thinking to create a manufacturing platform, it “could enable the creation of dozens of new niche-market car companies, all using GM to make... their designs...”

“...If you tease out Bezos’ plan... a high school cheerleader... could theoretically harness computing power, design capabilities, manufacturing and distribution from around the world, and make a market for a cute little pink hot rod...”

Just as “blogs, videos, music, animation and websites from individuals and small companies constantly challenge traditional media companies... that same scenario” could plow “through one consumer segment after another: food, clothing, cosmetics... It could be a wonderful, vibrant, scary chaos.” (Source: Kevin Maney, *USA Today*)